Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Text

CONFIDENTIAL

PAGE 01 SINGAP 01717 151828Z
ACTION EA-12

INFO OCT-01 ISO-00 SS-15 /028 W
----------038603 151833Z /41
R 141230Z APR 78
FM AMEMBASSY SINGAPORE
TO SECSTATE WASHDC 71

C O N F I D E N T I A L SINGAPORE 1717

STADIS//////////////////

EA ONLY

E.O. 11652: GDS
TAGS: EFIN, SN
SUBJECT: INVESTMENT TREATY

1. WE WERE PLEASED TO LEARN FROM MATERIALS SENT US FROM EA OF PROGRESS TOWARD A MODEL DRAFT BILATERAL INVESTMENT TREATY. WE ARE SURE THAT DEPARTMENT HAS DONE ITS BEST TO ELIMINATE FROM THE DRAFT PROVISIONS THAT WOULD REDUCE ITS USEFULNESS. AS FAR AS SINGAPORE IS CONCERNED, USEFULNESS LIES IN COMPENSATING, AT LEAST PSYCHOLOGICALLY, FOR LOSS OF OPIC ELIGIBILITY AND TO DEMONSTRATE U.S. WILLINGNESS TO COOPERATE IN MAINTAINING ATTRACTIVE INVESTMENT CLIMATE HERE.

2. RECOGNIZING THAT DEAL STRUCK WITH TREASURY MAY BE BEST POSSIBLE, WE SEE TWO RESIDUAL PROBLEMS THAT WOULD DETRACT FROM USEFULNESS OF TREATY AND CREATE PROBLEMS IN NEGOTIATING IT.

A. PROVISION THAT PARTIES PROVIDE MFN TREATMENT IN SCREENING NEW INVESTMENT. WE ARE NOT QUITE SURE WHAT THIS MEANS, BUT IT SEEMS TO SAY THT THE GOS MUST NOT DISCRIMINATE AGAINST U.S. INVESTOR IN MAKING ITS (USUALLY CONFIDENTIAL) DECISIONS ON WHO SHOULD INVEST. WE WOULD NOTE THAT, FIRST, NEW INVESTMENT PROPOSALS ARE NORMALLY NOT COMPETITIVE; THE GOS DOES NOT USUALLY
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 SINGAP 01717 151828Z

ASK FOR ALTERNATIVE PROPOSALS, BUT CONSIDERS THOSE MADE ON AD HOC BASIS. SECOND, FOR SOME PROPOSALS THAT MIGHT BE MADE ON COMPETITIVE BASIS (E.G., DIESEL ENGINE PROJECT), GOS COULD RUN INTO ASEAN PROBLEMS IN ACCEPTING MFN INVESTMENT SCREENING PROVISION. THIRD, PROVING NON-MFN TREATMENT IN SCREENING INVESTMENT WOULD PROBABLY BE SO DIFFICULT AS TO MAKE PROVISION INEFFECTIVE.

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

B. PROVISION ON CONSULTATIONS. WHILE WE ARE PLEASED THAT TREASURH HAS GIVEN UP ON TREATY LANGUAGE THAT WOULD HAVE CALLED FOR A STANDSTILL OR CONSULTATIONS ON INVESTMENT INCNTIVES AND PERFORMANC REQUIREMENTS (WHICH WOULD HAVE UNDERCUT WHOLE PSY-CHOLOGICAL PURPOSE OF TREATY WITH SINGAPORE), WE FEAR WE WILL RUN INTO VERY HEAVY WEATHER IF WE IDENTIFY THESE FACTORS AS REASON FOR INCLUSION OF CON ULTATIONS PROVISION. THIS WOULD ESPECIALLY BE TRUE IF WE UGGEST THAT WE WANT A SAY IN WHAT INCENTIVES SHOULD BE OFFERED NOT ONLY TO U.S. FIRMS BUT TO ALL INVESTORS.

3. WE BELIEVE GOS UNDERSTANDS PRESIDENT'S OFFER OF INVESTMENT TREATY AS USG SUPPORT FOR GOS EFFORTS TO ATTRACT U.S.INVESTORS.

IT DOES NOT EXPECT TO OE ASKED TO PAY A PRICE FOR TREATY, ESPECIALLY IN TERMS OF LIMITATIONS ON ITS INVESTMENT INCENTIVES.
HOLDRIDGE

CONFIDENTIAL

NNN

Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENT DRAFT, ECONOMIC COOPERATION, INVESTMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 14 apr 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978SINGAP01717
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780162-0969
Format: TEL
From: SINGAPORE
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780454/aaaabtxe.tel
Line Count: 79
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f09601b0-c288-dd11-92da-001cc4696bcc
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: ONLY, STADIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: ONLY, STADIS
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 06 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2961514
Secure: OPEN
Status: NATIVE
Subject: INVESTMENT TREATY
TAGS: EFIN, EINV, SN, US
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/f09601b0-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014